

industry his value as not only an operator, but also as a visionary and entrepreneur. Bill explained to me that he was not in it for the money. He seemed very much to “have something to prove” following his departure from Las Vegas Sands. I liked that Bill’s experience and motivation fit well within my concept of what was needed to achieve my vision for Solaire.

5. In particular, Bill spent quite a bit of time explaining that he had valuable relationships with VIP players and junket operators, and, as my partner, he could bring these highly-sought-after players to Solaire. This to me was an important part of what Bill and his team offered Solaire.
6. Although GGAM was a start-up company primarily comprised of just three people, Bill explained to me early-on that he expected to be able to build quickly GGAM’s capacity as a management company through his industry relationships. Until that happened, Bill assured me that he would personally dedicate the time necessary for developing and operating Solaire (I had requested as close to full time management as possible), providing “hands-on management” and visiting Manila frequently. In addition, his two associates, Brad and Garry, would “tag team” to ensure full coverage on the ground until GGAM’s hand-selected management team was in place.
7. It was only later that we were informed that GGAM would form a subsidiary company to implement the contract for Solaire. Bill planned to identify familiar, competent people to fill the management positions critical for day-to-day operations. I understood that some consultants would need to be hired to fill temporary positions for non-critical positions, particularly for areas of expertise that GGAM would not have, but I did not expect that key management functions, such as development of the business and marketing plan, would be outsourced to consultants at our expense.

Negotiation of the Project Agreements

8. From my perspective, this was a deal with Bill. I offered him an option to purchase up to 10% of the equity in the casino and license in order to demonstrate my commitment to our contemplated partnership. In my mind, I thought if GGAM had a significant ownership stake in Solaire, our interests would be aligned as we embarked upon a mutually beneficial partnership to develop a Solaire brand.
9. The first draft of the Management Agreement prepared by Bill’s lawyer, Tony Cabot, was an attempt at outlining our material understanding, subject of course to further development. That first draft agreement included a long list of services GGAM could and would provide both before and after Solaire opened. We essentially retained that long list of GGAM’s deliverables in the final agreement. Also, that first draft agreement indicated that GGAM’s “fees” would be comprised of a graduated scale percentage of EBITDA and an option to purchase approximately 10% of the equity in the casino and its

13. Then, the day before the MSA was signed, Bill sent me a short letter attaching a corporate chart of various GGAM entities. It seemed to me that this was a “check the box” exercise prior to the execution of the MSA. I don’t remember receiving this document, and I still don’t really know what it is supposed to show aside from the fact that Bill, like myself, owned various, separate entities that were arranged in such a way to make the most business sense. I understand that the lawyers in the arbitration keep pointing to this document as “evidence” that I was informed of Cantor’s control and authority over GGAM.
14. This is absolutely not the case. Again, I had no desire to get involved with a New York investment bank. If it had been explained during our first meeting that GGAM was influenced by Cantor’s pursuit of gaming investments, I would have looked elsewhere for a management company. I certainly would not have entered into an agreement with a corporate entity that viewed Solaire as an “asset” that could be “flipped.”

GGAM’s Immediate Pursuit of Additional Projects

15. Before the ink was dry on the MSA, Bill was gone, essentially never to return to manage Solaire. Of course I did not expect the “exclusive commitment” of Bill, Brad and Garry for the entire life of the MSA. They were not precluded from seeking other opportunities, because these opportunities do not come around frequently. But I did expect their attention, as close to full-time as needed in the beginning stages of their very first project as a management team. Then after Solaire was smoothly operating, they would transition to other projects as well.
16. I knew at the time of signing the MSA that GGAM’s capacity was limited—primarily the three principals. Bill had grand visions for GGAM and he wanted to build its capacity to manage several projects at once. I had no problem with this. But Solaire was their first project, and they came on-board relatively late in the process. There was much to be done to get the project off the ground, and I thought that they would focus on Solaire. I was surprised and concerned at the scale, scope and sheer number of projects they began pursuing aggressively in the critical months leading-up to Solaire’s opening and the months immediately after.
17. For example, I knew that Bill had an interest in Taiwan (perhaps through GGAM, perhaps through his other ventures), but Taiwan had not even legalized gambling at the time, and it still hasn’t. So I did not think that he would spend all of his time in Taiwan aggressively pursuing an elusive project when he already had a real property to develop, operate and manage in Manila. Contrary to Bill’s statement, I do think that his “physical presence in Manila” was the “best use” of his time in connection with Solaire—at least some of the time.

One of the three times Bill visited Manila, he asked if I could meet him at the Manila Golf & Country Club. I thought that he wanted to discuss Solaire, but instead, he pitched a project in Macau to me and asked if I wanted to co-invest. Then in March 2013, just a few days before Solaire's grand opening, I received a letter from Bill. The timing of this letter was odd. It was sent shortly before opening and after I had repeatedly expressed my dissatisfaction with GGAM generally and with Bill in particular, who had only been to Manila twice despite his promises to visit at the beginning as much as necessary to oversee personally the development and operations of Solaire and later monthly. In this letter, Bill detailed his projects in China and described them as somehow benefitting me and Solaire. It was clear that he had undertaken these projects for his own benefit or perhaps for GGAM's benefit, but that any benefit to Solaire was a mere after-thought.

"Through the Management Team"

18. We introduced the concept of "acting through the Management Team" into the MSA because I did not want GGAM to operate Solaire independently of Bloomberry. I had seen first-hand with Amanpulo Resorts in the Philippines how a foreign management company can thoroughly take over the management and operation of a high-end resort in such a way that the owners of the resort and the directors and officers of the owner are essentially reduced to "outsiders," unable to do anything with respect to the operation and management of the resort.
19. We all recognized that certain events—such as if the Philippine government became hostile to Solaire or to gaming in general or if the gaming tax rate increased substantially—could lead GGAM to determine that managing Solaire no longer made sense for GGAM. In such a situation, the resort would not be able to operate if the foreign management team withdrew from the project.
20. The "through the Management Team" concept was motivated from less of a desire on my part to retain control, and more from my desire to build capability and expertise to operate a truly world-class integrated resort, the first of its kind in the Philippines. I was up front with Bill regarding Bloomberry's role in the management and operations of Solaire. I had no interest in or plan to run the casino. I merely retained the authority to make certain decisions to correct something that I deemed to be harmful to Solaire.
21. I was surprised to read that GGAM blames Bloomberry's "interference" on GGAM's inability to perform the obligations under the MSA. The concept of "through the Management Team" meant that Bloomberry and GGAM would work together to make Solaire a success. The energy and enthusiasm of the management team should not be used as an excuse for GGAM's passivity and failure to perform. In my mind, GGAM's version of "acting" through the Management Team is the equivalent of a movie extra.